

## FOURTH REPORT ON PROGRESS IN MANCHURIA TO 1934

## 57 The South Manchuria Railway

The South Manchuria Railway Company has played an important part in the development of Manchuria. Indeed the story of this corporation is, to a great extent, the story of the progress in Manchuria after the Russo-Japanese war.

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## 59 S. M. R. Finance

The authorized capital of the Company was originally ¥200,000,000, of which the equivalent of ¥100,000,000 was furnished by the Japanese Government by turning over to the Company all its property in railways and coal mines and their appurtenances, which had been transferred from Russia by the Treaty of Portsmouth. The other half was offered for subscription to the Chinese Government and the Japanese and Chinese public when the Company was formed in 1906, but this offer was not accepted by the Chinese. With the necessary development of its activities, especially after the European war, the Company in 1920 increased its capitalization from ¥200,000,000 to ¥440,000,000. The Government again increased its holdings by ¥120,000,000, or half of the increased capital, by taking over three debentures issues which the Company had floated on the London market: £4,000,000 at five per cent., £2,000,000 at five per cent., and £6,000,000 at four and one-half per cent. interest, totaling £12,000,000. At the general meeting held on March 6, 1933, the Company increased its capital from ¥440,000,000 to ¥800,000,000. The Government also increased its holding by half of the increased capital, leaving the other half to the general public.

The Company was originally authorized to issue debentures to the amount of the unpaid share capital belonging to other than Government holders. By Imperial Ordinance No. 4, of 1910, this amount could be increased to twice the amount of all paid-up share capital, but could not exceed the amount of the authorized capital.

The financial policy of the Company in the first stage was to raise funds for its undertakings by issuing debentures rather than by floating new shares. Finding the most favorable market in London, four issues of debentures, aggregating £14,000,000 were floated there in succession during the four years ending January 3, 1911. Of these debentures, £12,000,000 were, as previously stated, taken over in 1922 by the Government in payment for its holdings of share capital, and the remaining £2,000,000 was again taken over by the Government when the first payment of the increased capital was called in 1933.

Since 1917 debentures of the Company have been mostly issued in Japan. The debenture issues for the last twenty-six years up to March 31, 1933, aggregated ¥800,434,000, of which ¥410,907,000 had been redeemed, leaving ¥389,527,000 outstanding.

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NO. 441 A

EXHIBIT

No. 1

滿州に於ける一九三四年(昭和九年)三月の鐵道に關する第四  
次報告

一、現有鐵道の經營を滿州鐵道に委任せらる

現有鐵道制度設立と同時に滿州省政府は經濟的技術的  
能率を増進するに多額の投資を各線に——この現行線を  
統一する事を第一と爲し、全滿州鐵道の運轉を擔當し  
滿州に於て鐵道經營に長け、經營を有する滿州  
鐵道株式会社に委託する事があることを感ぜしむ。

茲に取極に示恩旨に於て此の会社が事業を提議して東部  
韓國の鐵道 線路——この事業が此の会社に討つて其の  
る莫大の負債を消滅するに至るに相互に有利である。  
結局滿州省政府は滿州鐵道株式会社の契約を結ぶ  
滿州現有鐵道運轉を經營を此の会社に委託し、滿州省  
政府交通部は一九三四年三月一日の如く此の契約の  
要日を示す。

滿州省政府は滿州鐵道株式会社に  
鐵道運輸鐵道國定之事を委任し、是等の鐵道に口頭で——

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線、吉林—敦化線、吉林—海龍線、四平街—  
洮南線、洮南—日喀溪線、洮南—索倫線、  
齊齊哈爾—克山線、呼蘭—海倫線（松花江の  
水上輸送事業の一部を含む）奉天—海倫線、奉天  
—山海關線（打虎山—通遼線及びその附屬港）

が含まれる。上記借入金 総額は南滿洲鐵道株式  
会社に経営を委託される。前記諸鐵道の全財産及  
びその収益に依り擔保される。

『滿洲國政府と南滿洲鐵道會社外の第三者との間の鐵道  
に関する債權債務とに關しては南滿洲鐵道が滿洲政府と  
相談の上決濟する。之に關して支払が必要の場合には  
前記委託鐵道の収益から支払はれる。奉天—山田  
間線に擔保とする英支會社の借入金も償還す  
るのに必要資金も亦、同じ財源から採られる。  
奉天—山海關線中英支會社借入金と関係ある  
部分は前記會社の借入金が返済されるまで現在  
の鐵道契約の抵當から除外される。』

No. 2

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更に滿洲國政府は南滿洲鐵道株式會社に敦化—  
圖們江鐵道線、拉法—哈爾濱鐵道線、大柵—  
海倫鐵道線の建設契約を與へ、是等諸線の建  
設費總見積金額は一億圓ある。

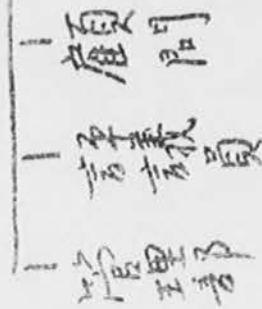
『敦化—圖們江鐵道を建設するに當り、滿洲國  
政府は天寶山—圖們輕便鐵道を買収する必要  
から南滿洲鐵道から六百萬圓を借し受け、又前記  
輕便鐵道の經營を滿洲鐵道に委託した。』

此の契約に基いて國有鐵路司が南滿洲鐵道株  
式會社に依つて三月一日設立され、當會社に多年有  
能な鐵道行政官として働いて来た宇佐美實治氏が  
その總監督に任命された。

次に掲げる圖は、この重要な事務所の組織を示す  
のである。

### 國有鐵路司

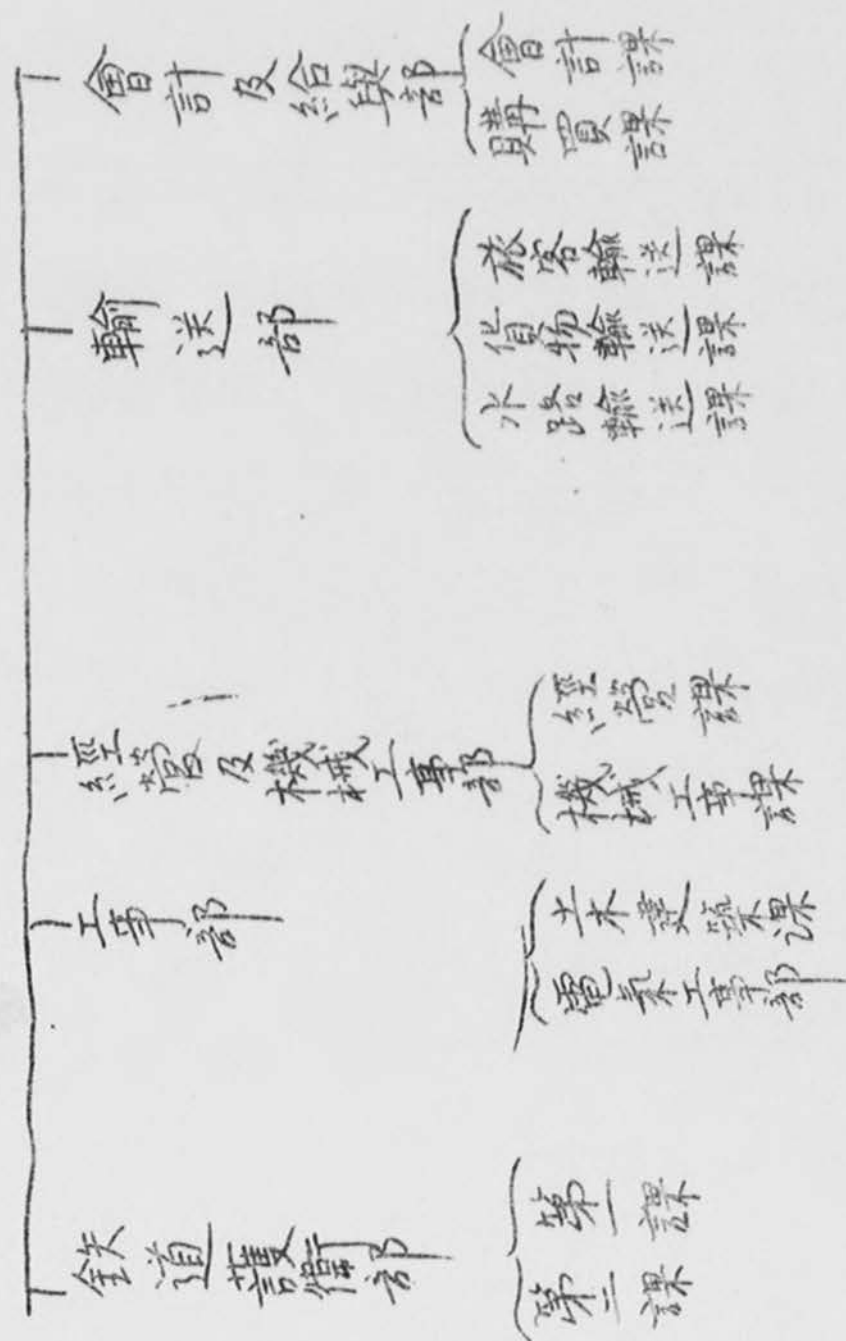
No. 3



文書課  
人事課  
地方事務課



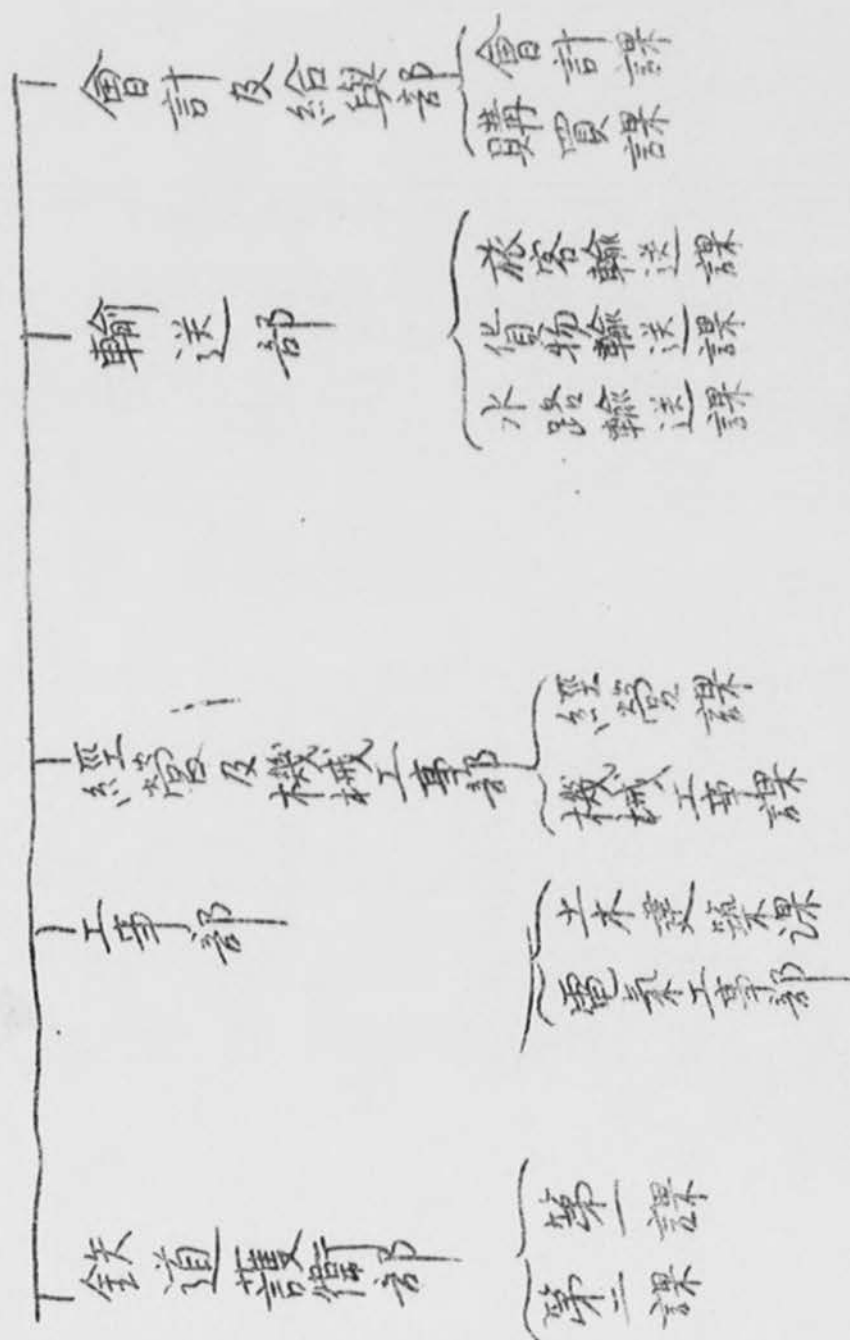
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No. 4

國有鐵路司の本社は奉天に設けられ、一九三三年三月一日を以て執務を開始し、南滿洲鐵道、北滿鐵道その他の鐵道線と圓滑な連絡をきづき上げた。國有鐵路司はまた國產物資及び外來物資の運

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No. 4

國有鐵路公司の本社は奉天に設けられ、一九三三年三月一日を以て執務を開始し、南滿洲鐵道、北滿鐵道その他の鐵道線と圓滑な連絡をきづき上げた。國有鐵路公司はまた國產物資及び外來物資の運

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No 5

輸に關し平等な取扱ひを開始し、旧制度の下に於て  
行はれてゐた差別待遇を全く撤廢した。更に旧制度下  
に於て「統倉乃至整理税」の形で貨物にかけられてゐた附加税  
廢止され、尚旧制度の下にあれば全く無視されてゐた  
鐵道線路及び車輛の改良も着々と進められ、嫩江に  
かけられた橋も馬占山軍に破壊されて日本軍が應急修  
理を施したまふになつてゐたが、これも永久的な鐵橋にかけられ  
る。この工事は滿洲國政府の保證に門戸開放政策  
に於てこのロータリー・クラブ會社に請負はされた。  
鐵道職員に關していは旧制度時代には總計三十キロメ  
ーにも達しない。これらの各線に三万五千名の職員を  
雇用してゐた。即ち一キロメートルに對し十人の甚だなる  
新管理になつてからはその様に多數の職員を必要とし  
なかつた。國有鐵路司は彼等の一人として職首す  
ることをせず、その俸給や賃銀はうちと定期的に支拂つて  
ゐる。これは旧制度時代に屢々見られて支拂不履行と  
著しく対照を示すものである。



1799B-1 (cont.)

(文書第一七九九B)

公式入手ニ因スル陳述

證 明 書

自分ハ、エドワード・P・モナガンハ自分ガ聯合國  
最高指揮官總司令部ニ在リタルモノナルコト並ニ秘  
密會議、國際檢察部等第一七六九「一九三四年マデ  
ノ滿洲發達第四報告」ハ自分ガ、公證上聯合國歸還  
露民文書縣内ノロバート・S・テイーズ少尉ヨリ入  
手シタルモノナルコトヲ證明ス。

一九四六年、昭和二十一年、八月二十二日

東京ニ於テ是迄

氏名 エドワード・P・モナガン (署名)

I・P・S・副主官

證人 ウィリアム・C・フラウト (署名)

自分ハ、ロバート・テイーズハ、下記會議即チ聯合  
國歸還露民文書番號SA一〇〇九〇項目一、二、一九  
三四年マデノ滿洲發達第四報告「一九三四年六月前

1799B-2 (cont.)

信託信託會社、ハ自分ガ公務上入手シ一九四六年  
昭和二十一年 六月十日ニ國際檢察部ノE・P・ニ  
ナガン氏ニ手交セシモノナルコトヲ茲ニ證明ス。

一九四六年 昭和二十一年 八月二十二日

ロバート・S・テイラー (署名)

米國陸軍少尉

聯合情報通譯局文書課

FOURTH REPORT ON PROGRESS IN MANCHURIA TO 193481 Management of State Railways Entrusted  
to S.M.R.

Simultaneously with the establishment of the State Railway system, the Manchoukuo Government felt that it was imperative to unify those existing lines entailing loss accounts owing to their diverse management with a view to promoting economic and technical efficiency, and that it was most appropriate to assign the operation and management of the whole of the State railways to the South Manchuria Railway Company which possesses a long and continued experience of railway operation in Manchuria. Such an arrangement would also be mutually advantageous in settling the enormous amount of the new State's indebtedness to that company in connection with the several railway lines financed and constructed by the company in the past. Finally, the Manchoukuo Government entered into a contract with the South Manchuria Railway Company, commissioning the latter to take charge of the operation and management of the State railways of Manchoukuo, and the Communications Department of the Manchoukuo Government published a statement on March 1, 1933, giving the substance of the contract as follows:

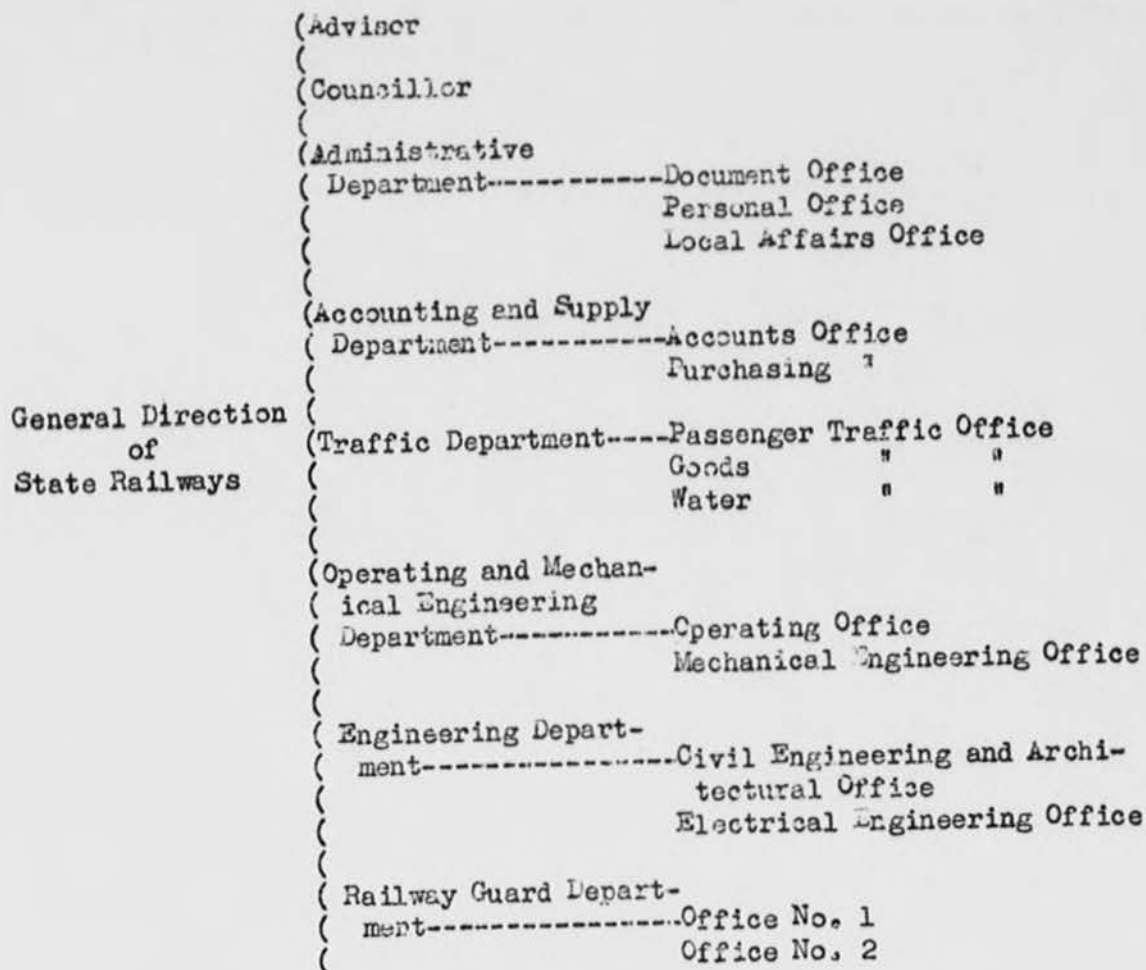
"The Government of Manchoukuo has decided to fix the total amount of obligations relative to the railways already opened to traffic due to the South Manchuria Railway Co. at G. ¥ 130,000,000, the railways involved being the Kirin-Changchun, Kirin-Tunhua, Kirin-Hailung, Ssuningkai-Taonan, Taonan-Angangchi, Taonan-Solun, Tsitsihar-Koshan, Hulan-Hailun (including a portion of the water transport enterprise on the Sungari River), Mukden-Hailung, and Mukden-Shanhaikwan (including the Tahushan-Tungliao line and its subsidiary harbours). The total of the said loan is to be secured on the entire property and receipts of the aforementioned railways whose management is to be entrusted to the S.M.R. Co.

"In respect of the claims and obligations relative to railways existing between the Manchoukuo Government and any third party other than the S.M.R., they shall be settled by the S.M.R. upon consultation with the Government. In case payment is required in connection with this matter, it shall be effected from the receipts of the aforementioned commissioned railways. The funds necessary for the redemption of the loan of the British and Chinese Corporation secured on the Mukden-Shanhaikwan line shall also be derived from the same source. That portion of the Mukden-Shanhaikwan line relating to the British and Chinese Corporation loan shall be excluded from the mortgage for the present railway contract pending the settlement of the said Corporation loan.

"In addition, the Government of Manchoukuo has granted to the South Manchuria Railway Co. the contract for the building of the Tunhua-Tumenkiang Railway, the Lafa-Harbin Railway, and the Taitung-Hailun Railway lines. The total cost for the construction of these lines is estimated at G. ¥ 100,000,000.

"In the construction of the Tunhua-Tumenliang Railway, the Manchoukuo Government, in view of the need of purchasing the Tienpaoshan-Tumen Light Railway, has borrowed the sum of G. ¥ 6,000,000 from the S.M.R., and has also entrusted the management of the said Light Railway to the S.M.R."

In virtue of this contract, "the General Direction of State Railways" ( ) was established on March 1, by the S.M.R. and Mr. Kanji Usami who had served in the company for many years as an able railway administrator was appointed Director-General. The following diagram shows the organization of this important office.



The Head Office of the General Direction of State Railways was established at Mukden and commenced its work on March 1, 1933. It set up harmonious interconnection with the South Manchuria Railway line, North Manchuria Railway line and other lines. The General Direction also commenced to inaugurate equal treatment of freights on domestic and foreign goods, the discrimination maintained under the former regime being practically done away with. The additional tax on freights hitherto charged under the former

regime in the form of "universal or consolidated tax" was also abolished. Improvement of the railway track and rolling stock, which were utterly neglected under the former regime, was steadily and gradually carried into effect. Railway bridges on the Nonni River destroyed by the forces of General Ma Chan-shan and temporarily repaired by the Japanese Army, were replaced by permanent iron bridges, the contract for which was given to the German firm, Lothar Marks, in accordance with the Open Door Policy guaranteed by the Manchukuo Government. Regarding the railway employees, these railways when under the former regime, employed thirty-five thousand persons for less than 3,000 kilometres, i.e., 11 employees per kilometre. Although so many employees were not required under the new management, the General Direction did not discharge any of them and pays their wages and salaries promptly and regularly, in contrast with the frequent default in payment of wages under the former regime.



(Doc. 1799b)

CERTIFICATE  
Statement of Official Procurement

I, Edward P. Monaghan, hereby certify that I am associated with the General Headquarters of the Supreme Commander for the Allied Powers, and that the attached document, IPS No. 1799, the Fourth Report on Progress in Manchuria to 1934, was obtained by me from Lt. Robert S. Teeze, ATIS Document Section, in the conduct of my official business.

Signed at Tokyo on this  
22nd day of August 1946.

/s/ Edward P. Monaghan  
NAME

Witness: /s/ William C. Frout

Investigator  
Official Capacity  
I.P.S.

-----  
I, Robert Teeze, hereby certify that ATIS Document No. SA 10091, Item 1, described as follows:

"FOURTH REPORT ON PROGRESS IN MANCHURIA TO 1934", South  
Manchuria Railway Company, June 1934,

was obtained by me in the course of my official duties and on 10 Jun 1946 was delivered to Mr. E. P. Monaghan of the International Prosecution Section.

Date 22 Aug. 1946

/s/ Robert S. Teeze  
ROBERT S. TEEZE  
2d Lt., AUG  
ATIS Document Section